

LOAN TRUST

DISCRETIONARY UNITED KINGDOM

Utmost Wealth Solutions is the brand name used by a number of Utmost companies. This item has been issued by Utmost Luxembourg S.A.

Words in the singular include the plural and vice versa. A reference to one gender includes a reference to the other gender.

Policy Number

This Trust Deed is provided for the consideration of the parties' advisers. Utmost Luxembourg S.A. makes no representation as to its efficacy and shall not be liable for any loss arising out of or in connection with its execution inclusive of, but not exclusively, any negative tax consequence.

Utmost Luxembourg S.A. strongly recommends that the parties take independent and professional legal and tax advice prior to entering into this Trust Deed in order to assess the consequences of the transaction in light of their particular circumstances.

Please ensure all relevant fields are completed.

THIS AGREEMENT is made the

day of

20

Between

of

(hereinafter called "the Settlor") of the one part and the Settlor

and

of

and

of

(hereinafter together called "the Trustees" which expression shall where the context so admits include the Trustees or Trustee for the time being hereof) of the other part.

WHEREAS

The Settlor intends to make an interest free loan to the Trustees with the intention that such loan monies shall be held by the Trustees (subject only to the right of the Settlor to be repaid the principal amount of the loan on demand) upon the following trusts and subject to the powers and provisions contained in this Settlement.

NOW THIS DEED WITNESSETH AS FOLLOWS:

1

1.1 In this Settlement the following expressions shall unless the context requires have the following meanings:

(1) "The Default Beneficiaries" entitled in equal shares in default of appointment are (these are long-stop beneficiaries preventing a resulting trust to the Settlor):

Surname(s)	<input type="text"/>	First name(s)	<input type="text"/>
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Surname(s)	<input type="text"/>	First name(s)	<input type="text"/>
Surname(s)	<input type="text"/>	First name(s)	<input type="text"/>

(2) The "Beneficiaries" shall mean:

- (a) any spouse, widow or widower of the Settlor;
 - (b) any child of the Settlor;
 - (c) any grandchild of the Settlor;
 - (d) any person, other than the Settlor, descended from the Settlor's parents;
 - (e) the spouses, former spouses, widows and widowers of any Beneficiary mentioned in classes (b), (c) or (d);
 - (f) any person or organisation included in the Settlor's will;
 - (g) such other person or persons (other than an Excluded Person) who may be added to the class of Beneficiaries by any deed or deeds executed at any time before the Perpetuity Day by the Trustees in their absolute discretion;
 - (h) any of the Default Beneficiaries.
- (3) "Excluded Persons" shall mean the Settlor and any person declared an Excluded Person under the provisions of Clause 12.
- (4) "The Trust Period" shall mean the period commencing on the date hereof and ending on the Perpetuity Day.
- (5) "The Perpetuity Day" shall mean the date of expiry of a period 125 years from the date hereof which period shall be the perpetuity period applicable hereto.
- (6) "The Trust Fund" shall mean any monies lent by the Settlor to the Trustees and all monies, investments and property at any time added by way of further settlement, accumulation of income, capital accretion or otherwise and all monies investments and property from time to time representing the same respectively or any part or parts thereof.
- (7) "Spouse" means the husband or wife or Civil Partner and the expressions married and unmarried shall be construed accordingly.
- (8) "Civil Partner" means a civil partner as defined by Section 1 of the Civil Partnership Act 2004 with "civil partnership" having a corresponding meaning.
- (9) "Widow or Widower" of a person includes the Civil Partner of that person immediately before that person's death
- (10) Words denoting the singular shall include the plural and vice versa.
- (11) Words importing any of the masculine, feminine or neuter genders shall include the other two genders.

1.2 References to legislation shall include any statutory modifications or re-enactments.

2 (1) The Trustees shall hold the capital and income of the Trust Fund upon such trusts and with and subject to such powers and provisions (including discretionary trusts and powers and powers authorising delegation or sub-delegation of discretion to any extent) and in such manner generally in favour or for the benefit of all or such one or more of the Beneficiaries as the Trustees may at any time or times during the Trust Period by deed revocable at any time during the Trust Period or irrevocable in their absolute discretion appoint.

- (2) Subject to any exercise of the power of appointment in Clause 2(1)
- (a) the Trustees may during the Trust Period pay or apply the income of the Trust Fund to or for the benefit of any one or more of the Beneficiaries as they may think fit;
 - (b) if and to the extent not paid or applied in accordance with Clause 2(2)(a) above the Trustees shall during the Trust Period accumulate the whole or any part of the income and invest it in the same way as capital but with power during the Trust Period to pay or apply the accumulations to or for the benefit of any one or more of the Beneficiaries as if the accumulations were then current income; and
 - (c) the Trustees may at any time during the Trust Period pay or apply the whole or any part or parts of the capital of the Trust Fund to or for the benefit of any one or more of the Beneficiaries as they may think fit.
 - (d) Subject to the preceding trusts and to any exercise of the powers in this Clause 2 the Trustees shall at the end of the Trust Period hold the Trust Fund and the income thereof upon trust for such of the Beneficiaries as are living at the end of the Trust Period and if more than one in equal shares absolutely.
 - (e) No exercise of the powers conferred by this Clause shall invalidate or prejudice any entitlement to income under this Trust which existed before the exercise takes effect; or any previous payment or application of the capital or income of the Trust Fund.

3 Subject to and until and in default of any exercise of the powers conferred by Clause 2 hereof the Trustees shall hold the Trust Fund and the income thereof otherwise undisposed of for the Default Beneficiaries in equal shares absolutely.

4

- 4.1 The power of maintenance and advancement contained in sections 31 and 32 of the Trustee Act 1925 shall apply to the capital and income of the Trust Fund but subject to the following modifications.
- 4.2 In section 31(1)(i) the words "the Trustees may in their absolute discretion think fit" shall be substituted for words "may, in all circumstances, be reasonable".
- 4.3 The proviso to section 31(1) should be omitted.
- 4.4 In paragraph (a) of the proviso to section 32(1) the words "one half of" shall be omitted.

5

- 5.1 During the lifetime of the Settlor the statutory power of appointing new or additional trustees of this Settlement shall be vested in the Settlor and subject to this shall be exercisable by the Trustees.
- 5.2 Any person may be appointed as a trustee of this Settlement whether or not he is or will be resident domiciled or incorporated in the United Kingdom and absence from the United Kingdom shall not be a ground of removal of a trustee of this Settlement.
- 5.3 The minimum number of Trustees of this Settlement shall be one in the case of a trust corporation and two in any other case.

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- 6.1 Subject to Clause 5(2) below the governing law of this Settlement shall be the law of England and Wales.
- 6.2 The Trustees shall have power exercisable at any time or times during the Trust Period by deed to change the governing law of this Settlement to the law of any other country or state (other than one by which this Settlement or any trust powers or provisions herein contained would be rendered void or voidable or by which any trusts of this Settlement would be rendered revocable) and/or to move the administration of this Settlement and all documents relating thereto to any other country or state.

7

- 7.1 The powers conferred upon the Trustees by this Settlement (which includes those contained in the Schedule hereto) or by law may be exercised by a majority of them.

8

- 8.1 Any of the Trustees being a solicitor, accountant or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted, time spent and acts done by him or any partner of his or his firm in connection with the trusts hereof including any acts which a Trustee not being in any profession or business could have done personally.

- 8.2 Any of the Trustees being a company shall be entitled to be remunerated for its work in such manner and on such terms as may be agreed in writing by the company and the persons appointing it to the office in question and any such agreement may provide for the manner in which the remuneration of the company may subsequently be varied and in the absence of such an agreement the company shall be entitled to remuneration for its work on the scale and in the manner shown in its published terms current at the date of its acceptance to the office in question.
- 8.3 No Trustee shall be liable for any loss to the Settlement however caused except for a loss caused by his own deliberate fraud or wrong doing.
- 9 The Trustees shall (in addition and without prejudice to all other powers hereby or by law conferred upon them) have the powers contained in the Schedule hereto exercisable during the Trust Period provided that the Trustees shall not exercise any of their powers so as to conflict with the beneficial provisions of this Settlement.
- 10 The Trustees shall not be required to consult Beneficiaries as to the exercise of their powers and Sections 11, 19 and 20 of the Trusts of Land and Appointment of Trustees Act 1996 shall not apply to this Settlement.
- 11 The Trustees may, by deed, during the Trust Period, add to the class of Beneficiaries such persons or classes of person (not being Excluded Persons) as they with the written consent of the Settlor during his lifetime declare shall be added to the class of Beneficiaries. Any such declaration shall have effect from the date stated in the deed (not being earlier than the date of the deed).
- 12 The Trustees may at any time during the Trust Period declare by deed that any person or class of persons (whether or not ascertained) who are, would or might otherwise be able to benefit under this Settlement shall be (i) partially excluded from future benefit under this Settlement or (ii) an Excluded Person and any such declaration may be irrevocable or revocable during the Trust Period and shall have effect from the date specified in the declaration provided that no exercise of this power shall invalidate or prejudice or affect the entitlement of any Beneficiary who has previously become indefeasibly entitled whether in possession or in reversion or otherwise.
- 13 Notwithstanding anything else contained or implied in this Settlement or in law no Excluded Person shall be capable of taking any direct or indirect benefit of any kind by virtue or in consequence of this Settlement otherwise than by way of repayment of any loan made by an Excluded Person to the Trustees and in particular but without prejudice to the generality of this clause.
- (1) The Trust Fund and its income shall be held and enjoyed to the entire exclusion of any direct or indirect benefit to any Excluded Person by contract or otherwise.
- (2) No part of the capital or income of the Trust Fund shall be paid to or held by any Excluded Person (except in a fiduciary or parental capacity) or lent to or applied for the direct or indirect benefit of any Excluded Person.
- (3) No power or discretion conferred on the Trustees or any of them by law or by this Settlement shall be capable of being exercised or operating in any manner so as to confer any benefit whether directly or indirectly on any Excluded Person in any manner or circumstances whatsoever.
- 14 Every discretion given to the Trustees is an unrestricted discretion which may be exercised in any way that the Trustees think proper. The Trustees shall not be required to give to any Beneficiary any reason or justification for the manner in which any such discretion may be exercised.
- 15 This Settlement shall be irrevocable.

SCHEDULE

- 1 The Trustees shall have all powers of investment management, sale exchange partition, mortgaging, leasing, charging, insurance and dealing with all property comprised in the Trust Fund as if they were the absolute owners thereof.
- 2 Any money comprised in the Trust Fund may be invested by the Trustees without any need for diversification in the purchase of any property of whatever nature and wherever situate and whether producing income or not and whether involving liabilities or not and upon such security if any as they shall think fit.
- 3 The Trustees shall have power to appropriate any property from time to time comprised in the Trust Fund in or towards satisfaction of the beneficial interest of any Beneficiary.
- 4 The Trustees shall have power to purchase or retain any asset for the use of any Beneficiary on such terms and conditions as the Trustees shall think fit and the Trustees shall not be bound to see to the insurance preservation repair or renewal of any trust asset used or enjoyed by any Beneficiary.
- 5 The Trustees shall have power to borrow money on such terms and conditions as they shall think fit and shall have power to use borrowed money for any purpose for which capital money comprised in the Trust Fund may for the time being be used including for the purpose of investment or application pursuant to the power conferred by paragraph 6 hereof.

- 6 The Trustees shall have power to effect and maintain out of the income or capital of the Trust Fund any policy of insurance or assurance on the life or lives of any Beneficiary or the Settlor or any other person and to surrender exchange or otherwise deal in all respects with such policy in such manner as they shall think fit.
- 7 The Trustees shall have power to lend any monies comprised in the Trust Fund to or for the benefit of all or any one or more of the Beneficiaries upon such terms as to repayment and interest or interest free and whether with or without security as the Trustees may in their discretion think fit but so that no loan shall be made on terms that repayment or any part thereof shall be postponed or be capable of being postponed beyond the end of the Trust Period.
- 8 The Trustees shall have power to pay to the parent or guardian of any minor Beneficiary hereunder any part of the capital or income of the Trust Fund held for that Beneficiary so that the receipt by such parent or guardian shall be a complete discharge to the Trustees who shall not be bound to see to the application thereof.
- 9 The Trustees shall have power to engage the services of any person or persons (other than the Settlor) to advise them on all matters relating to the investment and management of the Trust Fund upon such terms and conditions as they shall think fit including terms concerning (i) remuneration (ii) delegation or sub-delegation of discretion relating to investment or management (iii) authorisation of retention of profits and transactions in which such person or persons have a personal or other interest.
- 10 The receipt of the person who appears to the Trustees to be the Treasurer or other proper officer of any charity benefitting from the Settlement shall be a full discharge to the Trustees for any payments made to the charity.
- 11 The Trustees shall have power to delegate any function (including the exercise of any administrative dispositive or other power and in particular any investment power) to any person for any period and on any terms without being liable for the acts or defaults of the delegate and in exercising this power the Trustees may confer on any person the power to sub-delegate to a third party.
- 12 The Trustees shall be under no duty to supervise or enquire into the conduct of any company in the capital of which they shall be interested and so long as the Trustees have no notice of any act of dishonesty or any other breach of duty on the part of the directors of any such company they shall be at liberty to leave the conduct of the affairs of the company wholly to the directors.
- 13 The Trustees shall have power to pay all taxes, duties or other fiscal impositions which may be assessed on them whether or not by reason of the residence of the person or persons assessed or otherwise the assessment shall be unenforceable.
- 14 The Trustees shall treat all payments of income received by the Trustees as accruing on the date of receipt and shall disregard all statutory and equitable rules of apportionment.
- 15 The Trustees shall have power to do any act of management, administration or exploitation including without limitation any sale, lease, mortgage, surrender or other disposition or any purchase, investment, acquisition, expenditure or other transaction without the necessity of obtaining an order of the court authorising the act in question.
- 16 The Trustees shall have power (i) to effect a transaction with the trustees of another trust or the executors or administrators of an estate even though one or more persons are common to the set of persons involved in the transaction and even if all the same persons constitute the sets of persons (ii) to sell an asset (or grant a lease) to one of their number so long as they act on the positive advice of a competent professional adviser and (iii) in circumstances not envisaged by the preceding sections of this paragraph, to exercise or join in exercising any power vested in them (whether the power is characterised as dispositive or administrative or otherwise) notwithstanding that all or any of them has a direct or other personal interest in the mode or result of exercising the power.
- 17 Any of the Trustees who shall be or become a director or employee of any company in the capital of which the Trustees shall be directly or indirectly interested may retain for himself or herself any reasonable amount of remuneration from that directorship or employment notwithstanding that the directorship or employment shall have been obtained or retained by the exercise or non-exercise by the Trustees of any voting or other rights attaching to shares of that or any other company.
- 18 The Trustees shall have power by deed (i) to release or restrict the future exercise of any powers conferred on them by this Settlement (including this power) or by law and (ii) to restrict the operation of any rights indemnities or immunities conferred on the Trustees or any of them (but not so as to prejudice any former trustee without his previous written consent).
- 19 The Trustees shall have power to institute or defend legal proceedings, anywhere in the world, at the expense of trust monies and need not obtain directions from any court, nor authority from any Beneficiary.
- 20 The Trustees shall have power to take the opinion of legal advisers in any jurisdiction concerning any difference arising under this Settlement; or any matter in any way relating to this Settlement or to the Trustees' duties in connection with the trusts of this Settlement and the cost and associated costs and expenses of obtaining such opinions shall (if such adviser is not an Excluded Person) be payable out of the Trust Fund. To the extent that the Trustees act in accordance with the opinion of such adviser the Trustees shall not be liable for any loss to the Trust Fund which may arise by or from so acting, provided that any action is taken in good faith and without neglect.

21 The Trustees shall have power, at such intervals as they consider appropriate, to cause the accounts kept by the Trustees in relation to this Settlement to be examined or audited by such person as the Trustees shall designate. The Trustees may (if such person is not an Excluded Person) pay the costs of such examination or audit out of the capital or income of the Trust Fund.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE EXECUTED THIS DEED THE DAY AND YEAR FIRST ABOVE WRITTEN

SIGNED AS A DEED BY (Settlor and First Trustee):

Name in full

SIGNATURE

In the presence of:

Name in full

SIGNATURE

Address

Street/N°

City/County Postcode

Country

Occupation

The Settlor/Investor is first named Trustee. The Settlor’s signature should be witnessed by an independent third party.

SIGNED AS A DEED BY (Second Trustee):

Name in full

SIGNATURE

In the presence of:

Name in full

SIGNATURE

Address
Street/N°

City/County Postcode

Country

Occupation

Two additional Trustees can be named, usually other family members or an accountant/Solicitor. Each signature should be witnessed by an independent third party.

SIGNED AS A DEED BY (Third Trustee):

Name in full

SIGNATURE

In the presence of:

Name in full

SIGNATURE

Address
Street/N°

City/County Postcode

Country

Occupation

A WEALTH *of* DIFFERENCE

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Utmost Luxembourg S.A. is registered with R.C.S. under number B37604 and regulated by the Commissariat aux Assurances (CAA)
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